



AGENDA REPORT

Meeting Date: June 18, 2013
Item Number: I-10
To: Honorable Mayor & City Council
From: Cheryl Friedling, Deputy City Manager for Public Affairs
Megan Roach, Marketing & Economic Sustainability Manager (MR)
Subject: APPROVAL OF AN INTERIM FUNDING AGREEMENT BETWEEN THE CITY OF BEVERLY HILLS AND THE BEVERLY HILLS CONFERENCE AND VISITORS BUREAU FOR PROMOTION OF THE CITY FOR FISCAL YEAR 2013-2014; AND APPROVAL OF A PURCHASE ORDER IN A NOT-TO-EXCEED AMOUNT OF \$458,395 TO THE BEVERLY HILLS CONFERENCE AND VISITORS BUREAU FOR THESE SERVICES.

Attachments: 1. Agreement

RECOMMENDATION

It is recommended that the City Council approve an interim funding agreement between the City of Beverly Hills and the Beverly Hills Conference and Visitors Bureau for promotion of the City for Fiscal Year 2013-2014 and approve a purchase order in a not-to-exceed amount of \$458,395 for these services.

INTRODUCTION

This item requests the City Council approve an interim funding agreement with the Beverly Hills Conference and Visitors Bureau for visitor marketing and attraction services for the months of July and August 2013.

DISCUSSION

The Beverly Hills Conference and Visitors Bureau ("CVB") is contracted by the City to conduct a variety of tourism and marketing programs promoting Beverly Hills. On May 20, 2013, the CVB/Marketing Liaison Committee (Mayor Mirisch and Vice Mayor Bosse) met with CVB representatives to review the proposed Fiscal Year 2013-2014 scope of work and corresponding funding request of \$4,591,000. On June 12, 2013, City staff received a revised funding request and scope of work from the CVB totaling \$3,996,000.

At the June 4, 2013 study session meeting, the City Council requested the CVB attend the June 18 study session to present their scope of work and funding request for consideration. Since the CVB's current fiscal year funding will end June 30, 2013, it is recommended the City Council provide interim funding to the CVB to meet ongoing expenses through August 2013.

FISCAL IMPACT

The City's Finance Department projects \$32,062,800 in TOT revenue for the 2013-2014 Fiscal Year, which results in a Tourism and Marketing budget of \$5,561,204. This amount includes \$980,804 in budgetary carryover from Fiscal Year 2012-2013. The funding is budgeted in the Tourism and Marketing Program account 0101311. The two-month interim funding agreement with the CVB in the amount of \$458,395 will be charged to the Tourism and Marketing Program account.

Don Rhoads 

Finance Approval

Cheryl Friedling 

Approved By

Attachment 1

INTERIM FUNDING AGREEMENT BETWEEN THE CITY
OF BEVERLY HILLS AND THE BEVERLY HILLS
CONFERENCE AND VISITORS BUREAU FOR
PROMOTION OF THE CITY FOR FISCAL YEAR 2013-2014

THIS INTERIM FUNDING AGREEMENT is made and entered into in the City of Beverly Hills (the "City") by and between the City, a municipal corporation, and the Beverly Hills Conference and Visitors Bureau ("CVB"), a non-profit corporation.

RECITALS

A. CVB is located in the City and has special knowledge and experience to conduct or participate in promotional, publicity, and advertising activities for the benefit of the City.

B. The funding agreement between the City and CVB is set to terminate on June 30, 2013.

C. City desires to continue to engage the services of the CVB for promotional activities for an interim period while the CVB and City conclude its negotiations for promotional and other services for fiscal year 2013-2014.

D. Section 37110 of the State Government Code authorizes the expenditure of monies for promotion.

NOW, THEREFORE, in consideration of the mutual covenants of the parties hereto, the parties hereby agree as follows:

Section 1. Fund Authorization/Use of Funds.

(a) For the interim period of July 1, 2013 through August 31, 2013 ("Interim Period"), City shall provide the CVB with interim funding in an amount not to exceed \$458,395 for expenditures in support of the City and CVB's visitor and marketing programs as detailed in Exhibit A, attached hereto and incorporated herein. If there are any funds remaining from this allocation to the CVB, such funds shall be reallocated to the CVB for the remainder of fiscal year 2013-2014 at the discretion of the City.

(b) CVB shall use such funds for the visitor and marketing programs set forth in Exhibit A to be performed during the Interim Period.

(c) In connection with CVB's marketing and promotional programs, CVB may, on behalf of and at the sole discretion of City, use the funds to produce, purchase, install and de-install light pole banners or other displays in the public-right-of-way. All such light pole banners shall comply with the City's adopted Banner Policy, copies of which are available from the Office of Communications and Marketing, and shall be approved in writing in advance by City prior to installation. City shall have sole

discretion over the design, placement, and duration of display and shall retain ownership of all banners funded under this Agreement.

Section 2. Payments. CVB shall submit written requests for advanced payments for expenditures based on the CVB's adopted budgets for the various projects as set forth in Exhibit A. City shall provide payment to the CVB upon approval of the request by the City's Chief Financial Officer. City shall use its best efforts to make payment to CVB within 15-days of receipt of request. Any monies not expended in the Interim Period may be carried over to the remainder of fiscal year 2013-2014 at the discretion of the City. If not carried over, any excess monies not expended shall be returned to the City. In any event, the funding provided herein shall be made part of any future agreement for support of the CVB's funding during fiscal year 2013-2014.

Section 3. Reports.

(a) Prior to the conclusion of the Interim Period, the CVB shall submit a report to City and shall be in a form and content acceptable to the City Manager or his designee. The reports shall include, without limitation, information on overall project management and achievement of goals in relation to CVB's work plan and budget as set forth in Exhibit A, including the percentage of services completed and defined measurements of goal achievement for the Interim Period. If the City and CVB enter into an agreement for funding for the remainder of Fiscal Year 2013-2014, the CVB shall be relieved of compliance with this paragraph (a) and is not required to provide the report set forth herein.

(b) CVB shall also supply the City with an Audited Annual Financial report prepared by a Certified Public Accountant for the Interim Period. Such report shall provide consolidated financial reporting for CVB as a whole, and separately detailed accounts for each program funded by City. The report shall be due within three months after the end of the Interim Period. At City's sole discretion, consolidated annual accounts may be substituted for full audited accounts. This provision shall survive termination of this Agreement. Notwithstanding, if the City and CVB enter into an agreement for funding for the remainder of Fiscal Year 2013-2014, the CVB shall be relieved of compliance with this paragraph (b) and is not required to provide the Audited Annual Financial report required herein.

(c) With reasonable notice from City, CVB shall provide to City copies of any and all work product, documents reports, property and books produced by CVB in fulfillment of this Agreement ("Documents"). This shall be solely for the purpose of confirming and evaluating the execution of the programs described in this Agreement and shall not include records and documents unrelated to the execution of such programs (e.g., personnel records). CVB's obligation to maintain such Documents shall continue for three years after the termination of this Agreement. If the City and CVB enter into an agreement for funding for the remainder of Fiscal Year 2013-2014, the CVB shall be relieved of compliance with this paragraph (c).

(d) CVB shall establish and maintain an accounting system in accordance with generally accepted accounting principles and standards. The system shall detail all costs chargeable to City under this Agreement and shall substantiate all such costs, and comply with any applicable State and Federal standards.

(e) CVB shall endeavor to develop, in consultation with City, a program-based budget for all City-funded programs. Implementation of a program-based budget is not intended to affect the requirements outlined in paragraph (d) of this Section relating to generally accepted accounting principles.

Section 4. Ownership of Work Product.

(a) Unless otherwise agreed upon in writing, all reports, documents, or other written or visual material or any other material in any media, including any images, taglines, logos, or other media created or developed by CVB or any third party contracted by the CVB, in the performance of this Agreement, whether or not paid in whole or in part by the funding provided by this Agreement (“Work Product”) shall be and remain the property of City without restriction or limitation upon its use or dissemination by City. All Work Product shall be considered to be “works made for hire”, and all such Work Product and any and all intellectual property rights arising from their creation, including, but not limited to, all copyrights and other proprietary rights, shall be and remain the property of City without restriction or limitation upon their use, duplication or dissemination by City. CVB shall not obtain or attempt to obtain copyright protection as to any of the Work Products.

(b) CVB hereby irrevocably assigns exclusively to City, all right, title and interest in such trademarks and/or copyrights or other intellectual property rights in the Work Products. CVB shall take all acts requested by the City in order to enforce City’s rights under this Section.

(c) CVB shall not retain ownership of or any right, title or interest in any of the Work Products, including, but not limited to, in any related trademarks, copyrights, or other proprietary rights. The City and CVB agree that the Work Product and all such rights, title and interest in or to the Work Products belong to and are being sold and assigned in their entirety to City for whatever use it desires, and that City does and shall at all times own, solely and exclusively, complete and unencumbered, all right, title and interest in and to all of the Work Product worldwide, any modifications thereto and any derivative works based thereon (including, but not limited to, all patent, copyright, trademark, service mark and trade secret rights). Nothing contained herein shall be deemed to constitute a mere license or franchise in City. The parties further agree that City will be free to use, modify, distribute, sell, license or otherwise exploit all such Work Products and any modifications to or derivative works based thereon without any restrictions or limitations or any obligations or payments to CVB and that CVB shall have no such rights.

(d) From time to time the CVB will engage photographers to take photographs or will purchase images for use in CVB’s marketing campaigns, collateral or

other uses. As to those third party photographs or images whereby the CVB negotiates to purchase not only the photograph or image but also the copyright or other intellectual property rights, the provisions of this Section 5 will apply. As to those third party photographs or images whereby the CVB negotiates to purchase only the use of the photograph or image and the copyright is maintained with the photographer, the provisions of this Section 5 will not apply.

(e) This section shall survive termination of this Agreement.

Section 5. Assignment. This Agreement shall not be assigned by CVB without the written consent of City.

Section 6. Independent Contractor. At all times during the term of this Agreement CVB shall be independent contractors and CVB, their officers, employees and agents shall not be employees of City.

Section 7. Term. This Agreement shall remain in full force and effect from July 1, 2013 until August 31, 2013 unless terminated earlier as provided in Section 9 of this Agreement.

Section 8. Termination of Agreement. City may terminate this Agreement at any time, with or without cause, upon fifteen days (15) days written notice to CVB. In the event of such termination, City shall pay CVB for all costs and obligations reasonably incurred by CVB for Visitors Bureau activities in performing its services under this Agreement prior to the date of termination and such payment shall be in full satisfaction of City's obligations hereunder. City shall not be obligated to pay additional funds after issuance or receipt of such notice.

Section 9. Notice. Whenever it shall be necessary for any party to serve notice on another respecting this Agreement, such notice shall be served by certified mail addressed to the City Clerk of the City of Beverly Hills, 455 North Rexford Drive, Beverly Hills, California 90210; or to Beverly Hills Conference and Visitors Bureau, 9400 Santa Monica Blvd., Beverly Hills, California 90210, unless and until a different address may be furnished in writing by any party, and such notice shall be deemed to have been served within seventy-two (72) hours after the same has been deposited in the United States Post Office by certified mail. This shall be valid and sufficient service of notice for all purposes.

Section 10. Indemnification. CVB agree to indemnify, hold harmless and defend City, its City Council and each member thereof and every officer and employee of City from any and all claims, liability or financial loss resulting from any suits, claims, losses or actions, and from all cost and expenses of litigation, brought against City, its City Council and each member thereof and any officer or employee of City which results directly or indirectly from the actions or omissions of CVB or their officers, employees, agents or others employed by CVB in the conduct of the projects funded by this Agreement.

Section 11. Insurance.

(a) CVB shall at all times during the term of this Agreement carry, maintain, and keep in full force and effect, a policy or policies of Comprehensive General Liability Insurance with minimum limits of Two Million Dollars (\$2,000,000) for each occurrence, combined single limit, against any personal injury, death, loss or damage resulting from the wrongful or negligent acts by CVB.

(b) CVB shall at all times during the term of this Agreement carry, maintain, and keep in full force and effect, a policy or policies of Comprehensive Vehicle Liability insurance covering personal injury and property damage, with minimum limits of One Million Dollars (\$1,000,000) per occurrence combined single limit, covering any vehicle utilized by CVB in performing the services required by this Agreement.

(c) CVB agrees to maintain in force at all times during the performance of work under this Agreement workers' compensation and employer's liability insurance as required by law.

(d) CVB shall require each of its sub-consultants or sub-contractors to maintain insurance coverage which meets all of the requirements of this Agreement unless otherwise determined by the City's Risk Manager.

(e) The policy or policies required by this Agreement shall be issued by an insurer admitted in the State of California and with a rating of at least a B+;VII in the latest edition of Best's Insurance Guide.

(f) If CVB fails to keep the aforesaid insurance in full force and effect, City shall notify CVB that it is in breach of the Agreement and CVB has three (3) days to cure such breach. If such breach is not cured by CVB as required in this paragraph, City may terminate the Agreement or, if insurance is available at a reasonable cost, City may take out the necessary insurance and pay, at CVB's expense, the premium thereon.

(g) At all times during the term of this Agreement, CVB shall maintain on file with the City Clerk a certificate or certificates of insurance on the form required by the City, showing that the aforesaid policies are in effect in the required amounts. CVB shall, prior to commencement of work under this Agreement, file with the City Clerk such certificate or certificates. The policies of insurance required by this Agreement shall contain an endorsement naming the *City as an additional insured*. All of the policies required under this Agreement shall contain an endorsement providing that the policies cannot be canceled or reduced except on thirty (30) days prior written notice to City, and specifically stating that the coverage contained in the policies affords insurance pursuant to the terms and conditions as set forth in this Agreement.

(h) The insurance provided by CVB shall be primary to any coverage available to City. The policies of insurance required by this Agreement shall include provisions for waiver of subrogation.

(i) Any deductibles or self-insured retentions must be declared to and approved by City prior to commencing work under this Agreement.

Section 12. Extent of Agreement. This Agreement represents the entire and integrated Agreement between the parties on the matters included herein and supersedes any and all prior negotiations, representations or agreements, either written or oral. This Agreement may be amended only by written instrument signed by all parties to the Agreement.

Section 13. City Not Obligated to Third Parties. The City shall not be obligated or liable under this Agreement to any party other than CVB.

Section 14. Severability. Invalidation of any provision contained herein or the application thereof to any person or entity by judgment or court order shall in no way affect any of the other covenants, conditions, restrictions, or provisions hereof, or the application thereof to any other person or entity, and the same shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the _____ day of _____ 2013, at Beverly Hills, California.

CITY OF BEVERLY HILLS,
a municipal corporation

JOHN A. MIRISCH,
Mayor of the City of Beverly Hills

ATTEST:

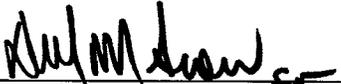
BYRON POPE
City Clerk

BEVERLY HILLS CONFERENCE
AND VISITORS BUREAU

JULIE WAGNER
Executive Director

OFFER NISSENBAUM
Board President

APPROVED AS TO FORM:



LAURENCE S. WIENER
City Attorney

APPROVED AS TO CONTENT:

JEFFREY KOLIN
City Manager



CHERYL FRIEDLING
Deputy City Manager for Public
Affairs



KARL KIRKMAN
Risk Manager

EXHIBIT A

SCOPE OF SERVICES

The City shall provide funding in the amount of \$458,395.00 to support the activities and programs outlined below during the period of July 1, 2013 through August 31, 2013. Interim funding shall cover operating and marketing expenses forecasted for July and August 2013 and expenses include but are not limited to salaries, taxes and benefits; rent and utilities; and marketing initiatives targeted to domestic and international consumers and trade. The CVB shall conduct the following activities (which activities are part of the CVB's overall marketing plan) during the term of this Agreement:

FISCAL YEAR 2013-14
BHCVB BUDGET LAYOUT

Categories	July 13	Aug 13	2-month total	Budget
REVENUE				
CITY CONTRACT	(458,395)	-	(458,395)	(458,395)
Subtotal	(458,395)	-	(458,395)	(458,395)
EXPENSES				
1. CENTENNIAL				
Centennial Celebration				
Suite 100	25,000	25,000	50,000	50,000
Centennial Events Marketing	--	--	--	--
CENTENNIAL TOTAL	25,000	25,000	50,000	50,000
2. HOLIDAYS				
Centennial Event Kick Off /Ice Rink	--	--	--	--
Ice Rink (sponsorship)	--	--	--	--
Holiday Marketing (advertising, collateral, Santa & Ice Rink Marketing)	--	--	--	--
HOLIDAYS TOTAL	--	--	--	--
3. DOMESTIC MARKETING				
A. Destination Marketing				
Annenberg, Branding & Centennial Awareness	--	--	--	--
B. MICE Marketing				
Adv, fams, memberships & targeted marketing via salesforce.com	2,000	--	2,000	2,000
Subtotal	2,000	--	2,000	2,000

C. Sales Missions

New York Sales Mission	--	35,000	35,000	35,000
Subtotal	--	35,000	35,000	35,000

D. Partnership Marketing

Other CVB's (LATCB website, Westside Coalition) Centennial Messaging	--	--	--	--
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E. Domestic PR/ Media Missions

New York	--	--	--	--
Los Angeles	1,500	--	1,500	1,500
San Francisco	--	--	--	--
Fams/PR	1,000	1,500	2,500	2,500
Subtotal	2,500	1,500	4,000	4,000

DOMESTIC MARKETING TOTAL	4,500	36,500	41,000	41,000
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4. INTERNATIONAL MARKETING**A. Sales Mission (Visit CA/ LA Tourism)**

China/Taiwan	4,500	--	4,500	4,500
Japan/Korea	--	--	--	--
UK/ Europe	3,000	--	3,000	3,000
Mexico/ Brazil	-	500	500	500
Australia	4,250	2,000	6,250	6,250
Int'l Fams (trade)	1,500	1,500	3,000	3,000
Int'l Contingency	--	--	--	--
Subtotal	13,250	4,000	17,250	17,250

B. Trade Shows - Pow Wow, ITB, WTM, ILTM, MPI

World Travel Market	--	500	500	500
Registration/ Expenses (IPW, IMEX, DMAI, MPI, ILTM*)	28,000	--	28,000	28,000
Booth Costs/ Add'l Support	--	--	--	--
Subtotal	28,000	500	28,500	28,500

C. Media - Missions & Fams

Fams (media)	--	--	--	--
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D. In-Country Representation

China	10,000	-	10,000	10,000
UK/ Europe	16,000	-	16,000	16,000
Australia	14,500	-	14,500	14,500
Subtotal	40,500	-	40,500	40,500

E. Incentive Programs

Travel Agent Contests/ Tour Operator, MICE bookings, Conference Sponsorship, Training	--	--	--	--
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INTERNATIONAL MARKETING TOTAL	81,750	4,500	86,250	86,250
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5. INTERACTIVE**A. Site Refresh**

New content & functionality	--	--	--	--
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B. Social Acquisition

Domestic & Int'l Acqui & Int'l Maint of Content	--	--	--	--
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C. Pay Per Click/ SEO

SEM & AdWords (PPC)	7,500	7,500	15,000	15,000
**SEO	1,000	1,000	2,000	2,000
Subtotal	8,500	8,500	17,000	17,000

D. International

In-language content; SEO; Social (China, Japan, UK, Mexico, Canada, Italy, France, Germany)	--	--	--	--
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E. Maintenance / eMail

Website Hosting (RTP)	500	500	1,000	1,000
**Website Maintenance / Acct Mngt	1,667	1,667	3,333	3,333
eNewsletters - distribution/database maint (Ryan Solutions)	750	750	1,500	1,500
Domain Renewals	--	--	--	--
Subtotal	2,917	2,917	5,833	5,833

INTERACTIVE TOTAL	11,417	11,417	22,833	22,833
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6. COLLATERAL STRATEGY

Revised visitor guide w/ Centennial info/ supply distribution	-	10,000	10,000	10,000
Infox distribution	833	833	1,667	1,667
Premiums/ Giveaways (VIPs, fams, Sales Missions, Int'l Offices)	-	5,000	5,000	5,000
Annual Report	--	--	--	--
COLLATERAL STRATEGY TOTAL	833	15,833	16,667	16,667

7. SPECIAL PROGRAMS**Adhoc/City/Board Requests/ Partnerships, etc.**

City Requests, adhoc programs from stakeholders, Board Requests	--	--	--	--
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TI Reserve	--	--	--	--
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SPECIAL PROGRAMS TOTAL				
	--	--	--	--
8. RESEARCH				
Amex/ Visa Vue	12,000	--	12,000	12,000
STR	3,200	--	3,200	3,200
Strategic Plan Research	--	--	--	--
Cision/PR	--	--	--	--
Subtotal	15,200	--	15,200	15,200
MARKETING & TOURISM TOTAL				
	138,700	93,250	231,950	231,950
9. EVENTS				
Signature Events				
Dinner en Blanc "BH under the Stars"	10,000	10,000	20,000	20,000
Chinese New Year Centennial	--	--	--	--
RDC Concours advertising	--	--	--	--
EVENTS TOTAL	10,000	10,000	20,000	20,000
10. EXPERIENCE				
Ambassador Program				
BH Employees becoming BH subject matter experts	--	--	--	--
EXPERIENCE TOTAL	--	--	--	--
11. VISITOR SERVICES				
Visitor Staff	--	--	--	--
Display (artwork, costumes, signage)	--	--	--	--
Collateral (tips, universal brochures)	5,000	--	5,000	5,000
Communications (advertising/incentives)	--	--	--	--
VISITOR SERVICES TOTAL	5,000	--	5,000	5,000
EVENTS, EXPERIENCE AND VISITOR SERVICES TOTAL				
	15,000	10,000	25,000	25,000
12. FIXED COSTS				
A. Salaries, Taxes, Benefits				
Salaries	55,665	55,665	111,331	111,331
P/T Salary	1,362	1,362	2,724	2,724
Taxes	5,069	5,069	10,138	10,138
Benefits	12,615	12,615	25,230	25,230
Subtotal	74,711	74,711	149,422	149,422
B. Rent				
9400 S. Santa Monica Blvd (City of BH)	9,405	9,405	18,810	18,810
Subtotal	9,405	9,405	18,810	18,810

C. Telephone/ Lease

(phone lines, repairs, etc)	800	800	1,600	1,600
voice/data reimbursement	--	--	--	--
**CVB phone assistance	--	--	--	--
Subtotal	800	800	1,600	1,600

D. Utilities (City)

Janitorial	575	575	1,150	1,150
Electricity (Socal Edison)	450	450	900	900
Heat Pumps	-	-	-	-
Maintenance	150	175	325	325
HVAC	703	703	1,407	1,407
Subtotal	1,878	1,903	3,782	3,782

E. Equip Usage, Copier. Printers

B&W/ color copies	133	133	267	267
Subtotal	133	133	267	267

F. Computer Services/Maintenance

**services/ maintenance	500	500	1,000	1,000
Subtotal	500	500	1,000	1,000

G. Postage/ Delivery

postage	50	50	100	100
Subtotal	50	50	100	100

H. Prof Dev/ Training (7,500)

Training	625	625	1,250	1,250
Subtotal	625	625	1,250	1,250

I. Dues

WACVB	972	--	972	972
BH Chamber	--	--	--	--
CalTravel	--	--	--	--
US Travel Assoc.	--	--	--	--
MPI	--	--	--	--
Dun & Bradstreet	--	--	--	--
Destination Marketing Assoc.	--	--	--	--
Subtotal	972	--	972	972

K. Community Relations/ Corp Exp**Staff Expenses (3k)**

Birthdays	150	--	150	150
Holidays	--	--	--	--
Team Building	--	500	500	500

Corp Expenses (3k)

Corp Breakfast/Luncheons/Dinners & Expenses	250	250	500	500
Subtotal	400	750	1,150	1,150

L. Professional Services

Payroll Service fee (Paychex)	280	280	560	560
NSBN Accounting Consulting Fees	800	600	1,400	1,400
Legal Fees (\$7,000)	-	-	-	-
401k Fees (Paychex)	178	178	356	356
Subtotal	1,258	1,058	2,316	2,316

M. Temporary Services (\$1k)

Project Assistance	--	--	--	--
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N. Insurance

Kaercher Campbell Foreign Policy	--	--	--	--
Philadelphia Insurance (D&O)	--	800	800	800
The Hartford (Workers Comp/Employer Liability & Casualty)	--	2,075	2,075	2,075
Subtotal	--	2,875	2,875	2,875

O. Audit

MGO audit fee	--	--	--	--
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P. Office Supplies

CVB office supplies	933	933	1,867	1,867
Subtotal	933	933	1,867	1,867

Q. Contingency (\$4k)

Subtotal	333	333	667	667
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R. Board of Directors

Board meeting costs	167	167	333	333
Subtotal	167	167	333	333

S. Taxes

MGO tax filing service	--	--	--	--
Possessory Interest Tax (LA County)	--	--	--	--

T. License & Permits

National Registered Agents	--	--	--	--
Franchise Tax Board	--	--	--	--
Misc. permits	--	--	--	--

U. Misc. Expenses	--	--	--	--
V. Fees & Charges				
Gate 7 wire transfers	--	--	--	--
UBS annual fee	--	--	--	--
Other fees	--	100	100	100
Subtotal	--	100	100	100
W. Business Meetings (\$800)	93	93	186	186
Subtotal	93	93	186	186
X. Interest Expense				
Dell computer assets	--	--	--	--
FIXED COSTS TOTAL	92,259	94,437	186,696	186,696
TOTAL CASH BUDGET	245,959	197,687	443,646	443,646
OTHER EXPENSES				
Y. Depreciation/ Amortization				
Furniture, computer, telephone assets	2,687	2,687	5,375	5,375
Subtotal	2,687	2,687	5,375	5,375
Z. Leasehold Improvements				
9400 Space	4,687	4,687	9,375	9,375
Subtotal	4,687	4,687	9,375	9,375
REVISED BUDGET TOTAL	253,334	205,062	458,395	458,395
		458,395		0
		Jul - Aug		